

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-03511A
Navajo Water Co., Inc.
P.O. Box 82218
Bakersfield, CA 93380

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN04	06
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entered
4-2007

COMPANY INFORMATION

Company Name (Business Name): Navajo Water Co., Inc.

Mailing Address: P.O. Box 82218
(Street)

Bakersfield CA 93380
(City) (State) (Zip)

800-270-6084 or 661-633-7546 800-748-6981
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: or mistiej@brookeutilities.com

Local Office Mailing Address: 1010 S. Stover Rd.

Payson Arizona 85541
(City) (State) (Zip)

928-474-8130 928-474-1695
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

MANAGEMENT INFORMATION

Management Contact: Robert T. Hardcastle President
(Name) (Title)

P.O. Box 82218 Bakersfield CA 93380
(Street) (City) (State) (Zip)

661-633-7526 800-748-6981
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: rth@brookeutilities.com

On Site Manager: Shaun Stouder
(Name)

1010 S. Stover Rd. Payson AZ 85541
(Street) (City) (State) (Zip)

928-447-8130 928-474-1695
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: shauns@brookeutilities.com

☐ Please mark this box if the above address(es) have changes or are updated since the last filing.

Statutory Agent: Robert T. Hardcastle
(Name)

P.O. Box 82218
(Street)

Bakersfield
(City)

CA
(State)

93380
(Zip)

661-633-7526

800-748-6981

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Jay Shapiro with Fennemore Craig
(Name)

3003 N. Central Ave. Ste. 2600
(Street)

Phoenix
(City)

AZ
(State)

85012
(Zip)

602-916-5000

602-916-5566

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|--|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) | |

COUNTIES SERVED

Check the box for the county/ies in which you are certified to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input checked="" type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME: NAVAJO WATER COMPANY, INC

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	10,050	-	10,050
304	Structures and Improvements	8,879	6,689	2,190
307	Wells and Springs	12,778	10,324	2,454
311	Pumping Equipment	64,548	27,782	36,766
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	60,347	42,863	17,484
331	Transmission and Distribution Mains	123,642	91,767	31,875
333	Services	47,785	38,610	9,175
334	Meters and Meter Installations	39,970	17,795	22,175
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	1,709	161	1,548
347	Miscellaneous Equipment			
348	Other Tangible Plant	7,646	1,745	5,901
	TOTALS	377,354	237,736	139,618

This amount goes on the Balance Sheet Acct. No.108

COMPANY NAME: NAVAJO WATER COMPANY, INC

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	10,050	0.00%	-
304	Structures and Improvements	8,879	2.68%	238
307	Wells and Springs	12,778	2.68%	343
311	Pumping Equipment	64,548	2.54%	1,642
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	60,347	2.68%	1,620
331	Transmission and Distribution Mains	123,642	2.68%	3,319
333	Services	47,785	2.68%	1,282
334	Meters and Meter Installations	39,970	2.64%	1,054
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	1,708	2.68%	46
347	Miscellaneous Equipment			
348	Other Tangible Plant	7,646	2.68%	205
	TOTALS	377,354	2.58%	9,749

This amount goes on Comparative Statement of Income and Expense
Acct. No.403.

COMPANY NAME: NAVAJO WATER COMPANY, INC

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ -	\$ -
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	12,753	11,791
146	Notes/Receivables from Associated Company		
151	Plant Materials and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	1,093	8,656
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 13,846	\$ 20,447
	FIXED ASSETS		
101	Utility Plant in Service	\$ 369,169	\$ 377,354
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(227,987)	(237,736)
121	Not-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 141,182	\$ 139,618
	DEFERRED INCOME TAX DEBITS	\$ 49,000	\$ 49,000
	TOTAL ASSETS	\$ 204,028	\$ 209,065

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME: NAVAJO WATER COMPANY, INC
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BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ -	\$ -
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Company	17,808	-
235	Customer Deposits	7,614	7,736
236	Accrued Taxes	4,770	546
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 30,192	\$ 8,282
	LONG-TERM DEBT (Over 12 Months)		
224	Long-term Notes and Bonds	\$ 14	\$ -
	Deferred Credits		
251	Unamortized Premium on Debt		
	Refundable Meter Advances	\$ 5,017	\$ 4,555
252	Advances in Aid of Construction	6,767	6,609
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Taxes		
	TOTAL DEFERRED CREDITS	\$ 11,784	\$ 11,164
	TOTAL LIABILITIES	\$ 41,990	\$ 19,446
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 58,300	\$ 58,300
211	Paid In Capital in Excess of Par Value	211,263	211,263
215	Retained Earnings	(107,524)	(79,944)
218	Proprietary Capital (Sole Props & Partnerships)		
	TOTAL CAPITAL	\$ 162,039	\$ 189,619
	TOTAL LIABILITIES AND CAPITAL	\$ 204,029	\$ 209,065

COMPANY NAME: NAVAJO WATER COMPANY, INC

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 117,755	\$ 125,271
460	Unmetered Water Revenue		
474	Other Water Revenues	2,544	765
	TOTAL REVENUES	\$ 120,299	\$ 126,036
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 12,643	\$ 13,120
610	Purchased Water		
615	Purchased Power	8,513	8,004
618	Chemicals	-	
620	Repairs & Maintenance	3,451	-
621	Office Supplies and Expense		
630	Outside Services	29,070	33,712
635	Water Testing	2,849	1,877
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability		-
659	Insurance - Health and Life	2,122	1,363
666	Regulatory Commission Expense - Rate Case	45	45
675	Miscellaneous Expense	18,626	17,006
403	Depreciation Expense	9,592	9,749
408	Taxes Other Than Income	6,897	7,242
408.11	Property Taxes	5,343	6,068
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 99,151	\$ 98,186
	OPERATING INCOME/(LOSS)	\$ 21,148	\$ 27,850
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income		45
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(433)	(312)
	TOTAL OTHER INCOME/EXPENSE	\$ (433)	\$ (267)
	NET INCOME/(LOSS)	\$ 20,715	\$ 27,583

COMPANY NAME: NAVAJO WATER CO., INC.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principal	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 4,555.00

430.00

Meter Deposits Refunded During the Test Year

\$

COMPANY NAME: NAVAJO WATER CO., INC.

Name of System: Laguna Estates Water System

ADEQ Public Water System Number (If applicable): PWS 09-000

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled	Arsenic Levels (mg/L)
55-646524	5.0	26.0	290	6	1	unknown	0.001

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None	N/A	N/A

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
None	None	None	None

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	1	2,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: NAVAJO WATER CO., INC.

Name of System: Laguna Estates Water System ADEQ Public Water System Number (If applicable): PWS 09-000

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	None	None
3	None	None
4	PVC	7,475
5	None	none
6	PVC	1,240
8	None	None
10	None	None
12	None	None

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ¾	31
3/4	0
1	0
1 1/2	0
2	0
Comp. 3	0
Turbo 3	0
Comp. 4	0
Turbo 4	0
Comp. 6	0
Turbo 6	0

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

None

STRUCTURES:

70' x 120' chain link fence

OTHER:

One- T100G Remote tank monitoring device

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: NAVAJO WATER CO., INC.

Name of System: Summer Pines Water System

ADEQ Public Water System Number (If applicable): PWS 09-030

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled	Arsenic Levels mg/L
55-623894	3.0	8.0	290	6	1	unknown	0.001
55-623891	10.0	72.0	565	8	2	1967	0.001

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None	N/A	N/A

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	1	None	None
1	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
40,000	1	5,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: NAVAJO WATER CO., INC.

Name of System: Summer Pines Water System ADEQ Public Water System Number (If applicable): PWS 09-030

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	None	None
3	None	None
4	ABS	40,180
5	None	None
6	None	None
8	None	None
10	None	None
12	None	None

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	214
3/4	0
1	0
1 1/2	0
2	0
Comp. 3	0
Turbo 3	0
Comp. 4	0
Turbo 4	0
Comp. 6	0
Turbo 6	0

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

None

STRUCTURES:

8' x 8' building

80' x 115' chain link fence

OTHER:

Three- 100G remote tank monitoring devices

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: NAVAJO WATER CO., INC.

Name of System: Chaparral Pines Water System

ADEQ Public Water System Number (If applicable): PWS 09-039

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled	Arsenic Levels (mg/L)
55-601671	5	60	295	6	1	1982	0.001

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None	N/A	N/A

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	1	None	none

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
30,000 gallons	1	1,000 gallons	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: NAVAJO WATER CO., INC.

Name of System: Chaparral Pines Water System ADEQ Public Water System Number (If applicable): PWS 09-039

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	None	None
3	None	None
4	ACP	7,350
4	PVC	550
5	None	None
6	None	None
8	None	None
11	None	None
12	None	None

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	73
3/4	0
1	0
1 1/2	0
2	0
Comp. 3	0
Turbo 3	0
Comp. 4	0
Turbo 4	0
Comp. 6	0
Turbo 6	0

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

None

STRUCTURES:

10' x 16' building

49' x 92' chain link fence

OTHER:

One- T100G remote tank monitoring device

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: NAVAJO WATER CO., INC.	
Name of System: Laguna Estates Water System	ADEQ Public Water System Number (If applicable): PWS 09-000

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	30	155	181	0
FEBRUARY	30	134	165	0
MARCH	30	131	155	0
APRIL	29	129	155	0
MAY	29	200	227	0
JUNE	29	196	210	0
JULY	29	282	327	0
AUGUST	29	195	197	0
SEPTEMBER	29	192	208	0
OCTOBER	29	163	582	0
NOVEMBER	29	554	9	0
DECEMBER	29	188	69*	0
TOTALS		2,519	2,485	0

* Slow well meter changed in December 2006

What is the level of arsenic for each well on your system? See page 10 **Mg/l**
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A **GPM for** N/A **hrs**

If system has chlorination treatment, does this treatment system chlorinate continuously?

☐ **Yes** ☒ **No**

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ **Yes** ☒ **No**

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ **Yes** ☒ **No**

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Name of System: Summer Pines Water System **ADEQ Public Water System Number (If applicable):** PWS 09-030

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	214	599	603	0
FEBRUARY	213	600	1,253	0
MARCH	213	263	1,070	0
APRIL	213	935	585	0
MAY	212	999	939	0
JUNE	212	1,277	1,726	0
JULY	213	1,367	1,715	0
AUGUST	212	763	859	0
SEPTEMBER	216	779	1,556	0
OCTOBER	215	674	665	0
NOVEMBER	215	555	846	0
DECEMBER	215	648	705	0
TOTALS		9,459	11,559	0

What is the level of arsenic for each well on your system? See page 12 **Mg/l**
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for N/A hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

() Yes (X) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: NAVAJO WATER CO., INC.	
Name of System: Chaparral Pines Water System	ADEQ Public Water System Number (If applicable): PWS 09-039

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLON PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	74	202	244	0
FEBRUARY	74	143	224	0
MARCH	74	232	964	0
APRIL	74	339	209	0
MAY	74	470	437	0
JUNE	74	612	503	0
JULY	74	807	487	0
AUGUST	74	317	127	0
SEPTEMBER	74	344	368	0
OCTOBER	74	256	349	0
NOVEMBER	74	184	229	0
DECEMBER	74	179	223	0
TOTALS		4,085	4,364	0

What is the level of arsenic for each well on your system? See page 14__ Mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for N/A hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount:_____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: NAVAJO WATER CO., INC.

YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 10,838.16

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF California

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Kern
NAME (OWNER OR OFFICIAL) TITLE
Robert T. Hardcastle
COMPANY NAME
NAVAJO WATER CO., INC.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

(SEAL)

MY COMMISSION EXPIRES

SIGNATURE OF OWNER OR OFFICIAL

661-633-7526

TELEPHONE NUMBER

COUNTY NAME

MONTH

20

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME: NAVAJO WATER CO., INC.

YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	\$	
Estimated or Actual Federal Tax Liability	\$	0
State Taxable Income Reported	\$	
Estimated or Actual State Tax Liability	\$	0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>\$ 6,608.49</u>
Amount of Gross-Up Tax Collected	<u> </u>
Total Grossed-Up Contributions/Advances	<u>\$6,608.49</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4-15-07

DATE

Robert T. Hardcastle

PRINTED NAME

President

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF California

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Kern
NAME (OWNER OR OFFICIAL) TITLE Robert T. Hardcastle
COMPANY NAME: NAVAJO WATER CO., INC. NAVAJO WATER CO., INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 126, 036.48

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 7,251.45
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

(661) 633-7526

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

MONTH

20

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) KERN		
NAME (OWNER OR OFFICIAL)	ROBERT T. HARDCASTLE	TITLE : President
COMPANY NAME: NAVAJO WATER CO., INC.		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 126,036.48

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 7,241.45
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

SIGNATURE OF OWNER OR OFFICIAL

661-633-7526

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

--

DAY OF

(SEAL)

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH	.20__

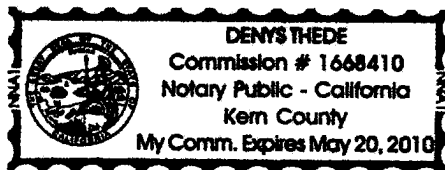
SIGNATURE OF NOTARY PUBLIC

Jurat

State of California

County of Kern

Subscribed and sworn to (or affirmed) before me on this 16th day of April, 2007, by Robert T. Hardcastle personally known to me or proved to me on the basis of satisfactory evidence to be the person who appeared before me.



A handwritten signature in cursive script, appearing to read "Robert T. Hardcastle", written over a horizontal line.

Navajo Water Company, Inc. * Bakerfield, CA
0101 NAVAJO COUNTY TREASURER

22093

SEP 28 06

919910003	15 Sep 28 06	908.54	0.00	908.54
919910058	16 Sep 28 06	532.44	0.00	532.44
919910706	16 Sep 28 06	3,932.56	0.00	3,932.56

NOT NEGOTIABLE

3,877.56 0.00 3,877.56

Navajo Water Company, Inc.
P.O. Box 62218
Bakerfield, CA 93307-2718

WELLS FARGO BANK, N.A.

22093

CHECK NO.

11:24
1210(8)

***** Five Thousand Two Hundred Seventy Seven and 00/100 Dollars *****

DATE	AMOUNT
SEP 28 06	\$3,877.56

PAY
TO THE
ORDER
OF

NAVAJO COUNTY TREASURER
MANNY HERNANDEZ
P.O. BOX 638
HULBERT, AZ. 86025

NOT NEGOTIABLE

⑆022093⑈ ⑆12100021-5⑆412103167⑆⑈

Navajo Water Company
P.O.

Inc. * Bakersfield, CA
NAVOJO COUNTY TREASURER

21842

Aug 18 96

1996000 100 Aug 24 96

1,048.81

0.00

1,048.81

1996070 100 Aug 24 96

1,048.81

0.00

1,048.81

NOT NEGOTIABLE

5,491.00

0.00

5,491.00

Navajo Water Company Inc.
P.O. Box 62218
Bakersfield, CA 93301-2118

21842

WELLS FARGO BANK, N.A.

CHECK NO.

11-24
1210(8)

***** Five Thousand Four Hundred Ninety-One and 00/100 *****

DATE

Aug 24 96

AMOUNT

\$5,491.00

NAVJO COUNTY TREASURER
MANNY HERNANDEZ
P.O. BOX 668
HOLBROOK, AZ 86025

PAY
TO THE
ORDER
OF

NOT NEGOTIABLE

⑈021962⑈ 0221000245⑈412105489⑈

2203.

1974-1975 YRS Sep 14 66	13.11	0.00	13.11
1974-1975 YRS Sep 14 66	55.57	0.00	55.57

NOT NEGOTIABLE

10.66	0.00	10.66
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22035

WELLS FARGO BANK, N.A.

CHECK NO.

1216(8)

DATE	AMOUNT
Sep 15 06	744.00

NAVAJO COUNTY TREASURER
RANNEY HERBERDELI
P.O. BOX 648
HOLBROOK, AZ. 86023

PAY
TO THE
ORDER
OF

NOT NEGOTIABLE

#0072089# #111000146.41105127#